



Irish Life Weekly Investment Bulletin

The week that was – WEEK 14 2018 (ending 06/04/2018)

“No problem can withstand the assault of sustained thinking.” – Voltaire

Irish tax revenues for end of Q1 2018 up 3.5% on the year – The Exchequer Returns for the end of March published by the Department of Finance show that taxes received are up 3.5% (€401 million) in annual terms with income tax up 5.7% year-on-year, PRSI up 4.3%, Corporation Tax up 2.3% and VAT up 2.4%.

Eurozone unemployment falls to lowest level since Dec 2008 – Eurostat reported that the euro area seasonally-adjusted unemployment rate declined to 8.5 % in February 2018 from January's 8.6 % and from 9.5 % in February 2017. The lowest rate was the Czech Republic (2.4 %) and the highest - Greece at 20.8%.

Global stock market down 0.6% on the week – The MSCI AC World TR Index showed a 0.55% fall from 30th March to 6th April, as continued trade tensions between China and the U.S. dominated the headlines together with underwhelming U.S. job numbers. The CBOE Vix closed the week at 21.49, up from 19.97.

U.S. job numbers in March disappoint – The Labor Department reported that nonfarm payrolls grew at a lower-than-expected 103,000 in March (vs 193,000 jobs expected) and the prior-two-month total was revised lower by 50,000 but the report also showed some good news - a record 90th-straight monthly rise in payrolls.

UK retail sales in March suffer their worst month since Financial Crisis – BDO LLP reported that retailers suffered their biggest sales decline since 2008 as the “beasts from the east” kept shoppers at home. ‘In-store’ sales fell 10%, the second-worst month on record. Household goods sales fell 13.2% and fashion by 12.7%.

Japanese business confidence deteriorates for the first time in two years – The Bank of Japan's Tankan survey for Quarter 1 found confidence among businesses reducing because of a strengthening yen, rising costs for raw materials and labour but the survey is still showing more companies have a “favorable” outlook.

The Story of the week: Irony of ironies for Luiz Inácio Lula da Silva, the former president of Brazil who has begun serving a 12-year sentence for a conviction on corruption charges - as he is to start serving his sentence in a specially configured cell at the federal police headquarters in the southern city of Curitiba, the very building he was on hand to inaugurate as president in 2007. A plaque in the entrance includes his name and title of “President of the Republic” - written in gold. He has his own cell which contains a bed and en-suite shower and toilet, considered “luxurious”.

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD (to 06/04)
MSCI AC World (Gross TR)	26.2	9.9	1.8	9.7	20.4	-2.3
ISEQ Overall Return	35.8	16.8	33.6	-2.7	9.7	-5.3
FTSE 100 TR	18.7	0.7	-1.3	19.1	11.8	-5.0
Euro Stoxx 50 TR	21.5	4.0	6.4	3.7	9.2	-2.3
S&P 500 TR	32.4	13.7	1.4	12.0	21.8	-2.1
Nasdaq Composite	38.3	13.4	5.7	7.5	28.2	0.2
Nikkei 225	56.7	7.1	9.1	0.4	19.1	-5.3
MSCI Emerging Markets	0.9	2.6	-8.0	7.1	27.8	0.0
Eurozone Government Bonds 1–5 yr	2.1	3.4	1.0	0.9	-0.2	0.2
Sovereign 10yr Bond Yields (%)	2013	2014	2015	2016	2017	2018 YTD
U.S.	3.0	2.2	2.2	2.4	2.4	2.8
German	1.9	0.5	0.6	0.2	0.4	0.5
UK	3.0	1.9	1.9	1.2	1.2	1.4
Japan	0.7	0.3	0.2	0.0	0.0	0.0
Ireland	3.4	1.3	1.1	0.7	0.7	0.9
Italy	4.1	2.1	1.6	1.8	2.0	1.8
Greece	8.2	9.6	7.9	7.1	4.1	4.0
Portugal	6.1	2.7	2.5	3.8	1.9	1.7
Spain	4.1	1.6	1.7	1.4	1.6	1.2
Central Bank Rates (%)	2013	2014	2015	2016	2017	2018 YTD
ECB	0.25	0.05	0.05	0.0	0.0	0.0
Bank of England	0.25	0.50	0.50	0.25	0.50	0.50
U.S. Federal Reserve	0.25	0.25	0.50	0.75	1.50	1.75
Foreign Exchange Rates	2013	2014	2015	2016	2017	2018 YTD
Euro/Dollar (€/\$)	1.37	1.21	1.09	1.04	1.20	1.23
Euro/Sterling (€/£)	0.83	0.78	0.75	0.84	0.89	0.87
Sterling/Dollar (£/\$)	1.65	1.56	1.46	1.24	1.36	1.41
IPD All Property Return % (in Local Currency)	2012	2013	2014	2015	2016	2017
Ireland	3.1	12.7	40.1	25.0	12.8	8.1% (to end of Q4)
U.K.	2.7	10.7	17.8	13.1	3.6	10.3% (to end of Q4)
U.S.	5.3	11.4	11.2	12.1	7.8	7.1% (to end of Q4)

*Past performance is not a reliable guide to future performance